

Remarks**I. Status of the Application**

Claims 1, 4-12, and 29-31 are pending in the application. Claims 1, 4, 5, 12, and 29 have been amended. Claims 32-34 have been added. Applicant respectfully requests entry of the amendments and remarks made herein into the file history of the instant application. Upon entry of these amendments, claims 1, 4-12, and 29-34 will be pending and under active consideration.

II. Claim Rejections - 35 USC § 103

Claims 1, 4-12, and 29-31 have been rejected under 35 U.S.C. 103(a) as being allegedly unpatentable over U.S. Patent No. 6,112,191 (“Burke”) in view of U.S. Patent No. 6,164,533 (“Barton”). Claims 1, 4, 5, 12, and 29 have been amended and the rejection is respectfully traversed.

A. The Claimed Invention Is Not Obvious in View of Burke and/or Barton

The assertion that it would have been obvious to one of ordinary skill in the art to develop a method involving on-demand investment technology based on a combination of the Burke and Barton patent references is simply not supported by the facts. While almost every invention has been comprised of components that previously existed, it does not follow that every single invention was obvious at the time of invention. To deconstruct an invention to its component parts, without identifying (a) a motivation to combine, (b) a reasonable expectation of success, and (c) that each and every distinct element of the new invention has been taught or suggested by the cited references would run afoul of the 103 legal analysis and incorporate impermissible hindsight bias. Here, the Applicants’ claimed invention relates to an option to perform an on-

demand investment transaction. Importantly, neither the Burke patent nor the Barton patent teach or suggest the “on-demand investment” element claimed by the Applicants. One of skill in the art would recognize that Burke is strictly limited to charitable donations (i.e. at the cash register), which are later managed and apportioned by the charity network. Even though money changes hands in both transactions, a charitable donation is not the same or equivalent to on-demand investing. The Barton patent also does not provide the necessary teachings for “on-demand investment” because the customer in Barton is never given the option to demand. The word “demand” is nowhere present in Barton’s entire patent disclosure. As such, the Applicants respectfully assert that the cited 103 combination does not teach or suggest all the elements of the Applicants claimed invention. Due to the significant disparities between the Burke and Barton patents, the Applicants also submit that the cited patents further provide no expectation of success or interchangeability.

In the Burke patent, any excess payment amounts (donations, charity savings, etc.) by the customer must be applied to the face amount of the payment transaction. By changing the nature of the purchase cycle, Burke actually overrides the authorized amount and is generally known in the art to be incompatible with ordinary banking and credit card services. Thus, while Burke’s patented system appears logical in theory, in practice one of skill in the art would recognize that Burke is not feasible and does not work within the desired technological field. Because the Burke patent is inoperative, the Applicants assert that there exists no motivation to combine references nor any expectation to success, since the references are unrelated and incompatible.

Perhaps even more importantly, as discussed above, Burke’s system does not teach any “on-demand investment.” Rather, Burke is limited to increasing the total purchase price, and at

some point later in time, determining where the excess funds should go and making the necessary apportionments. Even the terminology “excess funds,” which is used throughout Burke, indicates that there is no investment plan other than overpayment at the register. Consequently, Burke is addressing a completely different problem in trying to facilitate donations to a charity network. Although the Burke system may increase charitable donations by adding more money to the face amount of customer payments and this may be good for charities, Burke simply does not teach any form of “on-demand investment.”

One of skill in the art would certainly recognize that improving a charity network is a substantially different problem than the one addressed by the Applicants’ claimed invention involving on-demand investment. Due to the substantial differences between Applicants’ system and that described by the cited prior art references, there can be no expectation of success in attempting to combine the two. Because there is no expectation of success, no motivation to combine, and each and every element of Applicants’ invention has not been taught or suggested, the Applicants’ claimed invention would not have been obvious at the time of invention. Each of the Office Action’s 103 arguments is individually addressed below.

B. Independent Claim 1 and Independent Claim 30

Independent claim 1, which defines a method for effectuating an investment, requires in part, "completing a point-of-sale transaction by a user at a point of sale location," receiving "a request to complete an on-demand investment transaction after completion of the point-of-sale transaction," and transferring "a predetermined monetary investment amount determined prior to start of the point of sale transaction." Independent claim 30 requires, in part, "completing a first, point-of-sale transaction by a user "at a point of sale location;" and "receiving, by a computer, a

request to conduct a second, separate, on-demand investment transaction after completion of the first, point-of-sale transaction". Burke does not indicate a separate investment transaction.

The Examiner's comments concerning claim 4 were as follows:

Regarding the argument that Burke fails to disclose that the point-of-sale transaction and the investment transaction are two separate transactions, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references.

There are no combinations of references within Burke that teach the investment transaction and point-of-sale transaction are separate transactions. In all of Burke's teachings, an "excess amount" is added to the "transaction amount" to create a "total withdrawal". Burke clearly states the "total withdrawal" concept in his methods both individually and collectively:

If we view all, rather than a subset, of Burkes references, we find:

"The amount of excess payment called a rounder amount is then added to the face amount of the draft and the total number is then debited (as in withdrawals or account fees) or added (as in deposits or interest payments) to the account balance" (Column 11 lines 37-43);

"The total withdrawal will be the rounder amount plus the entry amount which will be debited against the checking account or credit card balance to determine the new account balance" (Column 13 Lines 31-34);

"The rounder amount and the entry amount are added together to determine the total withdrawal" and "the total withdrawal is then subtracted from the existing balance to determine the new balance" (Column 14 Lines 28-31);

In Figure 9B step 624, if the transaction cents = 0 and the withdrawal is \$10, "the rounder amount of \$1.00 will be created as excess funds for the rounder account and the total withdrawal will be \$11.00" (Column 14 line 16-18);

In Figure 9B step 624, if the transaction cents >0 and the purchase price was \$10.14, "\$0.14 would be subtracted from the \$1.00 and the net of \$0.86 would be the rounder amount which would then be deposited into the rounder account. The total withdrawal would still be \$11.00" (Column 14 Lines 24-27);

In Figure 9C step 644 and Figure 9D step 656, "the rounder amount is added to the face amount to determine the total withdrawal. In step 660 the total withdrawal is then subtracted from the existing balance to determine the new balance. The ability for the invention to remove coins from checking account fees will allow for easier balancing of checking accounts" (Column 15 Lines 16-24).

The "total withdrawal" concept also holds for Card Issuer rounder transactions. A "total withdrawal" is applied to the account (figures 10B step 832, 10C step 846, and 10D step 858). "The rounder amount and the entry amount are added together to determine the total charge. In step 832 the total withdrawal is then subtracted from the existing balance to determine the new balance." (Column 16 lines 34-37).

The MPEP requires that: "the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the churned combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure." (MPEP § 2143, citing *In re Vraeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

The Examiner does not identify in the prior art the limitation of "receiving, by a computer, a request to complete an on-demand investment transaction after completion of the point-of-sale transaction" by direct reference or with a combination of references but rather depends on the disclosure of Claridge.

The examiner commented that it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have further modified the system of Burke, so as to split the processing steps/functions out into two separate transactions, such that the investment transaction would occur after completion of the point-of-sale transaction.

By applying the “total withdrawal” to every payment method, the “Provider Account” in Burke will only see this “total withdrawal” and not have the ability to segregate out the individual transaction and excess amounts.

35 U.S.C. 101 states, “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title.”

Claridge demonstrates significant non-obvious improvements over Burke. By submitting a second, separate investment amount transaction, the Claridge on-demand investment method provides several new and useful improvements over prior art that lead to other solutions besides those claimed specifically:

1. Claridge does not interrupt the current point-of-sale transaction thereby preserving a timely transaction;
2. Claridge does not modify the transaction amount, thereby reducing the risk of going overlimit that Burke’s “total withdrawal” concept specifies;
3. Claridge automatically generates a separate transaction that is authorized and accounted for separately to;
4. Claridge is a less intrusive design that minimizes the modifications required to the existing card processing infrastructure;
5. Claridge uses a constant monetary amount to reduce the investment amount variability that a per-cent or point-of-sale specified amount triggers;
6. Claridge allows one an investment amount to be made from a source of savings other than the payment method; and

7. Claridge allows the investment transaction to be cancelled without affecting the point-of-sale transaction.

These options are not specified in Burke and, therefore, it is only with hindsight that the Examiner could have identified the proposed modification to Burke.

In fact, Burke explicitly illustrates the opposite in that the only way to deduct the "transaction amount" alone is by not using the rounder invention of Burke (Figures 9A Step 740 and 9E steps 742 and 744). This is repeated for Card Issuers (Figures 10A Step 940 and 10E steps 922 and 924).

Nerwin v. Erlichman, 168 USPQ 177, 179 (BPI 1969) ("Nerwin"), does not apply. Nerwin only stated that the "mere fact that a given structure is integral does not preclude its consisting of various elements." It did not find that a structure comprising various elements is always obvious in light of an integral structure, as the Examiner implies.

In Nerwin, an "integral" mechanical structure was identified and separated into structural parts in an apparatus. The examiner does not show evidence that any of the methods in Burke indicate the generation of a secondary investment transaction or that Burke teaches any embodiments that occur after the point of sale transaction is completed.

The Examiner admits that Burke "does not specifically teach that the investment-preference information includes any predetermined monetary investment amount for the on-demand investment as the investment amount is specified at the point-of-sale location at the time of the sale, nor does the disclosure of Burke include that the investment transaction occurs after completion of the point-of-sale transaction." Since the Examiner admits that this limitation is missing in Burke, the limitation cannot appear by merely separating the method into constituent

elements, as the Examiner proposes. By splitting the method of Burke into constituent elements, other integral components of Burke could not work such as processing the total withdrawal (Col. 11, lines 37-39; Col. 14, lines 28-34; Col. 15, lines 15-19; Col. 16, lines 34-35), processing the total withdrawal during the point of sale transaction (Col. 11, lines 3.9-43; Col. 13, lines 31-34; Col. 14, lines 16-31; Col. 15, lines 20-21; Col. 16, lines 36-37), and prompting the user to donate only a portion of any change due or excess amount during the point of sale transaction (Col. 6, lines 34-36; Col. 7, lines 54-59; Col. 10, lines 2-5).

Since the financial methods do not exist in the prior invention, they are not components that can be disaggregated into constituent elements: Nerwin is not, therefore, relevant to the present claims.

Since all of the claim limitations require that the point-of-sale transaction be completed and a predetermined monetary investment amount be set, none of the limitations of claim 1 and claim 30 are present in Burke. The MPEP states that: "impermissible hindsight must be avoided and the legal conclusion [of obviousness] must be reached on the basis of facts gleaned from the prior art." (MPEP § 2142). For the reasons set forth above, claims 1 and 30 and the claims dependent upon them would not, therefore, have been obvious in light of the cited art. Withdrawal of the rejection and reconsideration of the claims are respectfully requested.

Amended claim 1 and its dependent claims (4-8, 12, 29, 33, and 34) are therefore patentable over the cited art. The dependent claims also recite patentable limitations.

C. Claim 4

Claim 4, which is dependent on claim 1, refers specifically to accumulating electronic investment requests prior to authorization not cash deposits of investment transactions after authorization.

The Examiner's comments concerning claim 4 were as follows:

Regarding claim 4, the method of Burke further comprises the step of temporarily accumulating the on-demand investment request until a predetermined completion time. See, in particular, column 3, lines 4-13

The portion cited by the examiner in Burke does not teach the accumulation of investment requests. Burke differs in 3 fundamental ways and is not relevant.

Firstly, Burke accumulates deposits of completed investment transactions not investment requests prior to authorization. As stated in the cited paragraph from Burke:

The depositing of individual transactions into the MC remote terminal can be completed in an "off-line" or "on-line" or a combination of both modes. Column 3 lines 4-5

Burke specifically states that the payment, including excess funds, has already been rendered at the point of sale:

the excess funds are created at point of sale counters (POS) by the merchant/collectors (MC) who "front end" process the subscriber/payor (SP) spending transactions to determine the excess difference between the purchase price of goods or services and the amount of payment rendered Column 2 lines 55-59.

Since the investment funds have been rendered, both the investment request and the authorization are completed, hence, only deposits are accumulating.

Secondly, Burke states that his method is not possible for Credit or Debit card transactions. The method in Burke only relates to the deposits of physical cash held in a cash register.

The ability to process individual depositing transactions in an off line mode is made possible due to the fact that the system does not require on line authorization, as in credit

and debit card processing. Column 3, lines 10-13

Thirdly, Burke only teaches one merchant accumulating individual deposits from several users in one MC batch file (Column 3 lines 7-9). Burke does not accumulate deposits of one user across multiple merchants. Claridge, in contrast, accumulates investment requests of one user at several merchants.

Claim 4 is unique in that it accumulates pre-authorization investment transactions, applies to card purchases, and accumulates several card transactions of one user at many merchants.

Claim 4 would not, therefore, have been obvious.

Claim 4 has been amended to recite “accumulating a plurality of requests from the use of the electronic payment method” to explicitly state the functionality beyond the limitations in Burke.

In addition, Claim 1 has been amended to recite “completing a point-of-sale transaction by a user at a point of sale location using an electronic payment method associated with a purchasing or savings account” in order to remove any reference to using cash or non-electronic payment methods.

Amended claim 1 and amended dependent claim 4 are believed to be clear. Withdrawal of the rejection and reconsideration of the claim are respectfully requested.

D. Claims 5-8

Regarding dependent claims 5-8, the examiner stated:

if the on-demand investment request would cause the limit/maximum to be exceeded, avoiding exceeding the maximum by either canceling the on demand investment request or rolling the on-demand investment request over to a secondary or alternate investment account, as is self-evident and well known to do, in order to obey the law by complying

with limits/maximums imposed on certain investment accounts, such as IRAs, by the law, and since so-doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

The examiner admits that setting limits based on laws are self-evident and well known, hence would not be patentable. Law-based investment limits, therefore, would not be the exclusive domain of any prior art. Although it would be obvious that investment amounts would be subject to laws, Claridge differs from prior art by providing methods for the user to predetermine investment limits that do not necessarily correspond to legal or taxation limits.

Claridge allows for a user to specify limit preferences on investment accounts that may not otherwise have limits. Specifying user defined pre-determined investment limits is not obvious within prior art.

None of the user-defined account limit or maximum limitations of claims 5-8 are present in Burke. The MPEP states that: "impermissible hindsight must be avoided and the legal conclusion [of obviousness] must be reached on the basis of facts gleaned from the prior art." (MPEP § 2142). For the reasons set forth above, claims 5-8 would not, therefore, have been obvious in light of the cited art. Withdrawal of the rejection and reconsideration of the claims are respectfully requested.

E. Claims 9-11

Burke does not specify the use of accounts other than the purchasing account to contribute to the investment account.

The cited paragraph of Burke Column 12 lines 11-16 states: “When consumers use the above described improved methods.” These “above described improved methods” refer to Column 12, lines 1-6 which state:

Under this system, the SP opens up a new account or updates an existing account, e.g. checking, credit, or debit account, and instructs the bank or credit card issuer to add or subtract a determinant to each transaction after they are returned to the bank or credit issuer for final debiting against the consumer’s account.

Burke clearly has a one-to-one relationship between the payment method and the account that is used to fund the investment account. Burke’s methods will clearly, “add or subtract a determinant to each transaction after they are returned to the bank or credit issuer for final debiting against the consumer’s account”. Burke does not make accommodation for an investment contribution to be made from a source of savings other than the payment method used in the transaction.

Since one purchasing account is used at the point of sale, and the excess amount and transaction amounts are combined in all of the methods of Burke, two forms of payment are not suggested in the method of Burke either individually or collectively. Hence, Burke can not use a source other than the purchasing account to contribute to the investment account as the total withdrawal is being applied against the purchasing account used at the point of sale at the time of sale.

Furthermore, Claridge clearly provides a unique and non-obvious independence between the transaction amount and the investment amount in independent claim 9.

Claim 10, which is dependent on claim 9, allows for funds to be “transferred to the investment account from a purchasing account of the user.” Since the investment transaction is independent of the purchase transaction, Claridge removes the requirement to use the same

account as the one used for the purchase and clearly provides for independence between the payment method and the source of the investment amount.

Furthermore, claim 11, which is dependent on claim 9, allows for funds to be “transferred to the investment account from a source other than a purchasing account of the user.” This allows for funds to be transferred from other individuals. Claridge is unique from prior art in allowing user activity to trigger investment transactions from a source other than a purchasing account of the user such as accounts held by other users.

F. Claim 12

Claim 12, which is dependent on claim 1, provides for the user to modify the predetermined monetary investment amount thereby allowing the user to stop future contributions (set the predetermined information to zero), or change the predetermined monetary investment amount. These changed parameters would then apply for all future contributions.

Unlike prior art, the claim applies to account information and does not relate to the existing purchase transaction, transaction amount, or “total withdrawal” as specified in Burke.

The examiner admits in March 2004 that “Burke does not specifically disclose that the investment-preference information includes any pre-determined investment amount for the on-demand investment”. The examiner admits in November 2004 that “The disclosure of Burke, though, does not specifically teach that the investment-preference information includes any pre-determined investment amount for the on-demand investment”

Burke does not teach pre-determined investment amounts and could not have conceived of a modification of this non-existent pre-determined amount. The MPEP states that:

"impermissible hindsight must be avoided and the legal conclusion [of obviousness] must be reached on the basis of facts gleaned from the prior art." (MPEP § 2142).

Furthermore, claim 12, which is dependent on claim 1, teaches "prompting a user at a point-of-sale location, to request that an on-demand investment transaction be performed, after completion of a point of sale transaction," which is not suggested in Burke. Claim 12 and the claims dependent upon it would not have been obvious in light of the cited references. The Examiner's comments concerning claim 12 do not address these limitations. The portion of Burke cited by the Examiner is not relevant.

Claim 12 has been amended to "modify the predetermined monetary investment amount for a subsequent on-demand investment transaction" in order to clarify that only the predetermined investment information is being modified and the rejection is respectfully traversed.

G. Claim 29

Claim 29, which is dependent on Claim 1, outlines a substantially different method than that taught in Burke. Burke only allows for a straight per-centage apportionment between all investment accounts simultaneously (Column 13 lines 7-8).

In contrast, Claridge does not allocate investment contributions based on straight apportionment but rather establishes a unique set of functionality for the user to set rules regarding investment preferences and for certain conditions to occur prior to apportionment.

Claim 29 outlines a method for contributing to a second investment account that is conditional on the investment to the first account. In Claridge, if an investment contribution can

be fully deposited into an investment account, there would be no allocation to the second investment account. Without changing account preferences, a subsequent investment contribution that would cause the investment account to reach a limit would be automatically apportioned to reach the minimum of the investment account and the remainder would be automatically deposited into a second investment account that was pre-determined by the user.

The examiner admits that Burke “automatically contributes the investment to each account without regard to whether or not other attempts to other accounts failed”

Claim 29 specifically states the method of “automatically contributing at least a portion of the predetermined monetary investment amount to the second investment account, if the attempting to contribute the predetermined monetary investment amount to the first investment account fails” and could only function if this fail condition occurs.

None of the limitations of this condition within claim 29 are present in Burke. The MPEP states that: “impermissible hindsight must be avoided and the legal conclusion [of obviousness] must be reached on the basis of facts gleaned from the prior art.” (MPEP § 2142). For the reasons set forth above, claim 29 would not, therefore, have been obvious in light of the cited art. Withdrawal of the rejection and reconsideration of the claim is respectfully requested.

III New Claims 32-34

New claim 32 depends from claim 30, and further recites “wherein determining the amount of money comprises identifying a predetermined monetary calculation formula associated with the user, the predetermined monetary calculation formula being determined prior to the start of the point-of sale transaction.” New claim 32 is patentable over the cited art by virtue of its

dependency on new claim 30. Support for new claim 32 is found in paragraph [0010], for example.

New claim 33 depends from claim 1, and further requires “wherein the purchasing or savings account includes a credit card account, a checking account, a savings account, or any similar account from which the user may perform point-of-sale transactions.” New claim 33 is patentable over the cited art by virtue of its dependency on claim 1. Support for new claim 33 is found in paragraph [0022], for example.

New claim 34 depends from claim 1, and further requires “wherein the electronic payment method includes a credit card, a debit card, an entry of an account number, or any similar electronic payment method.” New claim 34 is patentable over the cited art by virtue of its dependency on claim 1. Support for new claim 34 is found in paragraphs [0023] and [0029], for example.

IV. Conclusion

Applicant respectfully submits that the instant application is in good and proper order for allowance and early notification to this effect is solicited. If, in the opinion of the Examiner, a telephone conference would expedite prosecution of the instant application, the Examiner is encouraged to call the undersigned at the number listed below.

Respectfully submitted

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